

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission
On Its Own Motion

-vs-

Consumers Gas Company

06-0744

Reconciliation of revenues collected under:
Gas adjustment charges with actual costs :
Prudently incurred. :

MOTION TO STRIKE

NOW COME the Staff witnesses of the Illinois Commerce Commission (“Staff”), through its undersigned counsel, and pursuant to 83 Ill. Adm. Code Sec. 200.190, move to strike portions of the Reply Brief of Consumers Gas Company. In support of this motion, Staff states as follows:

1. On August 11, 2010, pursuant to the schedule in this matter, Consumers Gas Company (“Consumers” or “Company”) filed its Reply Brief.
2. Staff objects to Consumers arguments which are based upon testimony provided in other docketed matters.
3. The Company references the statement in Staff’s Initial Brief that “most Illinois local distribution companies that hedge a portion of their gas costs do so within a set program that dictates the timing and volume (or range of volumes) of gas purchases”. Co. RB, p. 9, citing Staff IB, p. 22. (*Id.*)
4. The statement about Illinois local distribution companies is based upon Staff testimony (Staff Ex. 8.0, p. 6).

5. In response to the statement about other Illinois local distribution companies, Consumers states it is relevant to examine the hedging practices of the other utilities.

Given the Staff's reliance on the purchasing practices of these utilities in arguing Consumers hedging in 2006 was imprudent, it is relevant to examine those proceedings to determine if Consumers' hedging practices were at odds with the accepted prudent gas purchasing practices of other downstate Illinois utilities. (Co. RB, pp. 9-10)

6. However, the comparison Consumers provides is based upon testimony from other dockets. This testimony has not previously been raised or discussed in this proceeding.
7. While a comparison of the hedging practices may be relevant, the Company failed to provide any such discussion in its testimony.
8. Consumers failed to respond to Staff's testimony about other Illinois local distribution companies with any analysis or comparison of their operations or hedging practices.
9. A meaningful comparison of the various hedging practices cannot be made at the briefing stage in the absence of any facts in the record to support a finding of whether the operations or the hedging practices, of the utilities, are similar or dissimilar.
10. Staff objects to the discussion in the brief as it is not based upon evidence in this record. There is no evidence in this record to determine whether the actions referred to in the testimony from other dockets are similar to the actions taken by Consumers, and Staff has not had an opportunity to cross Consumers witnesses as to the conclusions being made regarding the testimony.

WHEREFORE, for the foregoing reasons, Staff respectfully requests that the argument in Consumers Reply Brief, beginning at page 9, "Most, if not all downstate gas utilities..." through "... Staff is wrong." on page 12 be stricken.

Respectfully submitted,



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